

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6346**

**BILL NUMBER: SB 66**

**NOTE PREPARED:** Nov 22, 2002

**BILL AMENDED:**

**SUBJECT:** Insurer Practices and Victims of Abuse.

**FIRST AUTHOR:** Sen. Lanane

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** X GENERAL  
DEDICATED  
FEDERAL

**IMPACT:** State

**Summary of Legislation:** This bill imposes certain prohibitions on automobile insurers and homeowners insurers related to insuring an individual who is a victim or a potential victim of abuse. The bill makes the violation of a prohibition an unfair and deceptive act or practice in the business of insurance.

**Effective Date:** July 1, 2003.

**Explanation of State Revenues:** The bill potentially could result in additional revenue from civil penalties imposed on insurers by the Commissioner of the Department of Insurance. Civil penalties that may be imposed for violations of the provisions of the bill would be deposited in the state General Fund.

**Background Information:** A violation of the provisions of this bill would constitute an unfair or deceptive practice in the business of insurance. Under current law, if the Commissioner of the Department of Insurance determines that a violation has occurred, the Commissioner may, at his or her discretion, order payment of up to \$25,000 for each violation unless the person knew or reasonably should have known that the act or practice was a violation. If the person knew or reasonably should have known that the act or practice was a violation, the Commissioner may order payment of up to \$50,000 for each violation.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Department of Insurance.

**Local Agencies Affected:**

**Information Sources:**

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